

MINUTES

**MONTANA SENATE
56th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS

Call to Order: By **CHAIRMAN TOM KEATING**, on January 28, 1999 at 3:00 P.M., in Room 413/415 Capitol.

ROLL CALL

Members Present:

Sen. Tom Keating, Chairman (R)
Sen. Fred Thomas, Vice Chairman (R)
Sen. Sue Bartlett (D)
Sen. Dale Berry (R)
Sen. Vicki Cocchiarella (D)
Sen. Alvin Ellis (R)
Sen. Bob Keenan (R)
Sen. Walter McNutt (R)
Sen. Bill Wilson (D)

Members Excused: None.

Members Absent: None.

Staff Present: Gilda Clancy, Committee Secretary
Eddy McClure, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 229, 1/21/99; SB 218,
1/28/99
Executive Action: SB 90

HEARING ON SB 229

Sponsor: SEN. FRED THOMAS, SD 31, Stevensville

Proponents: **Lance Melton, General Counsel, Montana School
Boards Association
Don Waldron, Montana Rural Education Association
Jerry Perkins, Karst Stage
John Cheek, Superintendent Drummond Schools
Craig Brewington, Superintendent Hellgate Schools**

Opponents: **Phil Campbell, Montana Education Association, also
Montana Federation of Teachers
Darrell Holzer, Montana State AFL-CIO
Gene Fenderson, Montana Joint Heavy & Highways
Committee
Jerry Driscoll, Montana Building Trades**

Opening Statement by Sponsor:

SEN. FRED THOMAS, SD 31, Stevensville, opened SB 229 by stating this bill is meant to address a significant unfunded mandate which was placed on Montana schools last session with the passage of HB 407. That bill added service occupations to the prevailing wage laws and has increased the cost of operating important school district programs, particularly hot lunch and transportation programs to the extent that it threatens the continuation of these programs across the State of Montana. To name a few, Libby Food Service, Drummond Bus Service, and Hamilton Bus Service. A remedy for this problem is inserted into SB 229 by exempting K-12 school districts from the application of prevailing wages for service occupations added last session. Senate Bill 229 is identical to legislation offered by **SEN. BOB KEENAN** in the form of SB 77 which exempted the Department of Public Health & Human Services from service contracts in which this Committee in the Senate has recently passed. Senate Bill 229 will provide a fair process for compliance of prevailing wage laws by requiring a public agency to place a statement regarding prevailing wage law. It will put to end the practice of assessing civil penalties against the school district when a contractor violates the prevailing wage law. **EXHIBIT(1as22a01)** He said he endorsed the amendments, remove the requirement that the Department of Labor adopt 56 wage districts from service occupations, or one wage district from each county. The Department of Labor has reported this provision would generate a good amount of money to implement this and, also, remove the fiscal impact. If this legislation is moved out of this Committee, **SEN. THOMAS** will ask for the fiscal statement to be revised.

Proponents' Testimony:

Lance Melton, General Counsel, Montana School Boards Association, said the school districts throughout the state are greatly concerned. **EXHIBIT(1as22a02)** He stated these letters show the effect of HB 407 from last session is having a disastrous financial affect on our school districts with respect to all the service occupations which were added under HB 407 last session.

Don Waldron, Montana Rural Education Association, stood as a proponent to SB 229. **EXHIBIT(1as22a03), EXHIBIT(1as22a04), EXHIBIT(1as22a05)**

Jerry Perkins, Karst Stage, Bozeman, said he runs a charter school bus operation for three school districts in the state. **EXHIBIT(1as22a06)**

John Cheek, Superintendent Drummond Schools, is in support of this bill. He explained they have a situation in Drummond where they have contracted busses, and since they are a small school district, this affects their general budget. The Missoula School District is paying around \$8.40 per hour and since Drummond is in an area with Butte-Anaconda, they are paying \$13.26 per hour. They are beginning negotiations with their contractor who is paying \$11.50 per hour.

Craig Brewington, Superintendent Hellgate Elementary Schools, gave an example of working with prevailing wage. Last summer, his clerk had an irrigation contractor working in her back yard. This contractor did an excellent job and the price was good. He asked the contractor how much underground sprinkling system could he cover for \$14,000, which is all the money they had in their budget for this system. If they went over \$15,000, they would have to ask for bids. This contractor covered two soccer fields and a football field. If they would have had to put out a bid the price would have been \$22,000 for this contractor to cover the bidding requirements. When this contractor paid his workers, he paid them to do the backyard job for his clerk, but when he completes a school job, things change dramatically. **Mr. Brewington** explained he has a school buss contract in the amount of \$380,000 and is fearful of what the cost increase will be. He asked for support on SB 229.

EXHIBIT(1as22a07) was mailed into the Committee in support of SB 229.

{Tape : 1; Side : A; Approx. Time Counter : 17 - 31}

Opponents' Testimony:

Phil Campbell, Montana Education Association, also the Montana Federation of Teachers, said they stand in opposition to most of this bill. They do agree with the Gray Bill portion and the portion of the bill that states when the contract goes out for bid, the contractors should know it is a public works contract and prevailing wage applies. The part of the bill which eliminates the school districts, they oppose. He said the service portion of this law was made effective in 1973, not since last session. Apparently, there are people who did not know that, but he does not believe we should change the law because of that. He says this situation shouldn't affect school districts since the Attorney General's opinion in 1988. They oppose it because what they think will happen is, as school budgets get tight, portions of whole job categories will be limited, such as food service, janitorial service, bus service, etc. If they do not have to comply with prevailing wage, people employed by the school districts will lose their jobs and these jobs will be contracted out for lower wages and benefits. He stated that is not good economics and our state should not be engaged in something that will drive down our economic base even lower.

Darrell Holzer, Montana State AFL-CIO, affirmed their opposition of SB 229. The prevailing wage positions and fees are being paid with public tax dollars. We seem to lose sight of the fact that the people this will affect are Montana citizens and also Montana taxpayers. We need to do whatever we can to elevate wages in the State of Montana. This bill would suppress wages. It is not difficult to find contractors who are willing to work for \$4 to \$5 per hour. We, as a state, have an obligation to do the best job we can. The role the folks who are working in these contract positions is absolutely critical to our education system.

Gene Fenderson, Montana Joint Heavy & Highway Committee, gave some history on this matter. He said three years ago there was an on-going committee in the Department of Labor which the school districts, cities and towns, labor unions and different government entities attended. This committee set service rates. The argument, after the Attorney General's statement in 1988, was that this law was too broad and nobody knew what was covered. That group worked those things out which resulted in a definition of services which clarified that bill one more time. Now two years later, we are wanting to change it again. He handed out a map of the districts which show prevailing wage.

EXHIBIT (las22a08) In 1988 several legislators and **Mr. Fenderson** spent many hours working this situation out. They came to a compromise in arranging prevailing wage in districts, not only for construction but also for purchases of services. There were originally five districts, and the small towns complained that the 'big' wages were being imported. They addressed those issues

and he believes they did an extremely good job. **Mr. Fenderson** also brought up the non-printing of the required wages within the act. In this state there used to be one book on services and construction. At that time, the architects and engineers complained and did not want to print those books. The Department of Labor began printing books with about 10 to 15 pages in them for each district, one for construction and one for services. In 1983 there was a Supreme Court case named "The Yellow Bay Case" in which a contractor did not pay the correct prevailing rates. His argument was that he did not have to pay them because the amount was not stated. It went to the Supreme Court and this contractor won his case. The committee then went back to the Department of Labor in 1984 and with the help of the legislature, it was law that contractors had to use prevailing wages. This bill is regressive after all the work which has been done in the past. He urged the Committee to "do not pass".

Jerry Driscoll, Montana Building Trades, said prior to last session every occupation had to use prevailing wage. There was a request from a town to prevail the rate of beekeepers and that's what prompted the bill last session to limit prevailing wage to 12 occupations. He said people need to answer surveys which determine what the occupation in their districts pay. The provision regarding publishing the amount of prevailing wage was never suppose to be paid by the city or county. It is suppose to be paid by the architect or the engineer by their errors and omissions insurance. That was the intent of the law. If people don't participate they should not try to change the law. He said on page 5 of this bill, it states prevailing wage must be paid, but if it is not paid there is no penalty. He asked the Committee not to pass this bill.

{Tape : 1; Side : A; Approx. Time Counter : 31 - 43}

Questions from Committee Members and Responses:

SEN. WALTER MCNUTT asked **John Cheek** about the impact to the school budget. If they did not have this financial impact, he asked where these funds would go.

Mr. Cheek said if they do not have enough transportation money, it has to come out of the general budget.

SEN. MCNUTT asked where the money comes from if it comes out of the General Fund.

Mr. Cheek responded it would come in place of something else, such as wages for teachers, textbooks, classroom expenses, technology, etc.

CHAIRMAN KEATING asked **SEN. THOMAS** if the suggested amendments eliminate the need for a fiscal note.

SEN. THOMAS responded that is correct. The amendments recommend eliminating the 56 prevailing wage districts which eliminates the fiscal impact. Last year there was no fiscal impact, this year, ironically, there is a fiscal impact in the school districts.

SEN. SUE BARTLETT asked **Bob Rafferty, Chief of Analysis Bureau, Department of Labor & Industry**, to give a concise summary of what the process is and how the current rates for services may have been set and how they will be set for coming years.

Mr. Rafferty answered they perform the survey by trying to identify occupations by industry. They also have a list of all the firms in the state, which entails 35,000 employers that they economically code by industry. They have names and addresses of industries which have some of those occupations. In terms of how that process would continue with this legislation, they would continue with the current process and there would not be any changes with the exception of those occupations which would be excluded from this bill.

SEN. BARTLETT asked **Mr. Rafferty** whether or not he was consulted for technical information when the committee worked to produce SB 407.

Mr. Rafferty responded they were part of the work group from the Department side. They tried to bring in effected parties regarding HB 407 in terms of the Department being able to enforce, and being able to set rates, and try to make some sense out of the different occupations with a limited amount of planning and skill. He said they were consulted and helped plan with advise.

SEN. BARTLETT said she recalled SB 407, actually it was HB 407, when it reached the Senate Labor Committee, it did not require the use of the 10 districts, at least for services. She asked if **Mr. Rafferty** was familiar with that situation and what the original provisions of HB 407 where.

Mr. Rafferty answered the manner in which services were calculated prior to HB 407, was a state-wide range. In terms of the committee, there was some sense that perhaps services were more local than state-wide. In that discussion, it was never determined what 'local' meant. They reverted back to the 10 districts which applied for non-construction services, and these were areas in which rates were already set.

CHAIRMAN KEATING asked **Mr. Rafferty** if the exempt classes such as school bus drivers in the Department of Labor's survey were exempt, if they would not be included as a part of the survey to determine the prevailing wage.

Mr. Rafferty answered if he knew they were specifically exempted, he would not go out and survey the bus drivers. He might have to survey a different occupation because it would affect other non-construction services. He would have to judge this on a case-by-case basis.

SEN. DALE BERRY stated his own district in Missoula County is in much better condition economically than Ravalli County and yet it appears we are creating a better situation for Ravalli and Mineral Counties because we are bringing their averages down in prevailing wages. It is pushing the averages in Ravalli County considerably higher. That almost personifies every district, that there is someone pushing the more needy counties up and are bringing down the counties which are more capable and have better economic situations. He asked about consideration of local versus district areas.

Mr. Rafferty responded in terms of the response of the labor market area; where people are now and where they were, and they look at areas where people are willing to commute. In terms of trying to separate the place of residence and the place of work is difficult. If they consider too small of area, they don't get the data. By the provisions of the last legislation, they look at prevailing contracts and if there are no union contracts or collective bargaining agreements, they go to surrounding districts.

SEN. BARTLETT asked **John Andrew, Department of Labor**, if he was part of that working committee and if he was familiar with the original provisions of HB 407, specifically in relation to whether the districts were in or not.

Mr. Andrew answered he was part of the group which made recommendations for prevailing wage law. He said he does not recall what happened with the original provisions of HB 407.

SEN. BARTLETT inquired whether or not **Lance Melton** was familiar with the Supreme Court decision of 1983 which addressed the specific point about not having the prevailing rates themselves in the contracts.

Mr. Melton stated it has been some time since he looked at that opinion but he his acquainted with it.

SEN. BARTLETT said she has a copy of it in hand and one of the things it says is, "under the basic contract principles, a party cannot be bound to terms he is not aware of and, therefore, this contractor cannot be held to payment of specific rate which did not appear in the contract of which he had no knowledge but only existed somewhere within the bureaucracy". She asked with that language in a Supreme Court decision, and a requirement in this bill which would eliminate putting the specific information in the bid specifications and the contract, how are prevailing rates suppose to be enforced.

Mr. Melton responded when this bill was drafted, it was drafted specifically to overturn that Supreme Court ruling and he believes they have. If you wanted to go the extra step, you could include language which states that contractors that shall pay prevailing wage should contact the Department of Labor. He thinks this will overcome what the Supreme Court dealt with at that time, which was a different statute. The present statute says the minute you fail to include those wage rates, the contractor is completely relieved from any obligation to pay prevailing wages, it immediately attaches to the public agency, even if the contractor was specifically and thoroughly familiar with the wage rates due to those workers.

SEN. BARTLETT asked on construction projects if districts generally use architects and engineers in helping them design the project and fashion the bid specs and get through the technical process of getting a contractor selected and getting things under way.

Mr. Melton responded for the most part, yes. It would depend upon the nature of the project. They've had specific exemptions from the Board of Architects regarding situations where the County Attorney has issued an opinion that it didn't affect public health, safety and welfare and there are instances where an architect is not involved. In addition, last session **SEN. THOMAS** brought a separate bill forward that dealt with part of that issue, but the argument is, still from the architects. You cannot talk to them until you first guarantee them a sum of money. There are school districts, which, in an attempt to maintain fiscal responsibility, go as long as possible in the planning stages before consulting with the architect. He said an architect will be aware of the necessity of putting the wage rate in the bid specifications. There are instances where other experts such as an engineer or land surveyor not present for the school district who might say wage rate shall be paid in accordance with the prevailing wages. He knows of a contractor who was aware of the prevailing wage rates, who saw a bid spec without the wage rate in it, put in the bid, and was way under

bid from anyone else. When the time came due, the district found themselves with a liability suit for the differential in the wage rate.

SEN. BARTLETT asked if one of the services provided by the Montana School Boards Association for its member districts be to prepare some standard information for them for this project and how to deal with the bid specs and the contract requirements and prevailing rates.

Mr. Melton responded that is correct. He has written four articles in their newsletter over the past two years, most of them immediately following the passage of HB 407, giving detail regarding the affect of HB 407. He also visited the entire state and part of that involved giving specific guidance to school districts regarding the requirements of HB 407.

SEN. BARTLETT asked if it was likely that the instances he gave the example of are likely to occur.

Mr. Melton responded the Montana School Boards Association represents most, but not all school districts. Even though he would like to think they are well attended enough to have a representative from every one of their districts, that is not the case. He still has districts call who do not know what prevailing wage loss is. They are doing their best but it is not possible to cover the entire state in that regard.

SEN. BARTLETT inquired where there are architects involved in a project, isn't it a reasonable expectation that it is the architect's responsibility to help the school district make sure these kinds of requirements are fulfilled. If there is an error or an omission for the architect to be the party liable rather than the public agency.

Mr. Melton answered that might work in some instances but not in all. Last session a bill was rejected which would require specific coverage for errors and omissions for architects on public projects for school districts. That would depend upon the financial assets and availability and possession of insurance by the architect involved in the project. West Yellowstone had an architect who absolutely botched a job by everybody's agreement and he didn't have any coverage. It depends on the whims of the particular licensed architect as to whether or not he or she decides to obtain coverage, and whether or not it is adequate coverage.

SEN. THOMAS closed the hearing by stating there was a lot of discussion about last year's consensus bill. That was the term

used two years ago on the proposed HB 407. It was a consensus between big government, the Department of Administration, big business contractors, and big labor. They sat down and agreed to what they came up with and that virtually affects our local school districts. There is a lot of philosophy in this room and he respects everyone else, but because we say we have this arbitrary law and will take out of one pocket and put it in another, does not build the economy. That is not his philosophy. His philosophy is one of individual annuity, initiative and opportunity. He wants the bill amended to the Gray Bill format, which eliminates the prevailing wage district business. The districts **Mr. Fenderson** handed out in **EXHIBIT 8** would remain intact. We all know our school districts have a finite amount of money, so do the taxpayers. So where is the priority? It is good to see our education association tell us where their priority is and the choice is really ours. Is our priority the classroom or is it hot lunch programs, or is it an arbitrary wage set by the Department of Labor? When you take a look at the prevailing wage in this aspect, it is unfair. The school district can contract, do their own bussing and do what they want. But if they bid that out, they have to pay an arbitrary wage that the Department of Labor sets and that is undisputable. The purpose of our school districts is to educate our children. It is not to be some sort of hiring agency for our public.

{Tape : 1; Side : B; Approx. Time Counter : 62 - 104}

HEARING ON SB 218

Sponsor: SEN. KEN MILLER, SD 11, Laurel,

Proponents: Ronda Carpenter, Montana Housing Providers

Opponents: Perry Eskridge, State Board of Electricians
Scott Hudson, Master Electrician, International
Brotherhood of Electrical Workers
Don Herzog, Master Electrician, International
Brotherhood of Electrical Workers
Bill Qualls, Electrical Contractor
Dick Swingley, Great Falls Fire Department
Darrell Holzer, AFL, CIO
Doug Neal, Montana Fireman's Association
Gary Pemble, Montana Electrical Apprenticeship &
Training Association
Carl Schweitzer, Montana Contractor's Association
Joe Dwyer, Teamster's Union
Gene Fenderson, Montana Joint Heavy & Highways
Committee

Jim Wolfe, Polar Electric**Opening Statement by Sponsor:**

SEN. KEN MILLER, SD 11, Laurel, informed the Committee this bill allows the property owner the ability to do electrical work himself only if he gets a permit and has his property inspected. Under current law if a property owner lives in his house, he can do the electrical work without inspection or a permit. If it is a property they don't live in, they cannot do the work. He believes there is a lot of electrical work being done which is not being inspected. It is his desire to at least have the property inspected to make sure it is up to code. He knows there are electricians present who believe they will be left with less work and suddenly everyone will do the work themselves and he does not think this will happen. To make sure the wiring is inspected is a safety issue.

Proponents' Testimony:

Ronda Carpenter, Executive Director, Montana Housing Providers, said she represents about 1,000 landlords around the state. She asked for support of this bill. Her members are not violating building codes, however, she feels there are far too many instances where the property owner does the work, but because it is not legal to get a permit and have the work inspected, it never is. The owner finds out the first time he goes for a building permit that he cannot do that, so he just does the work. In many cases this is okay, but in some cases it may not be. For one reason or another they are doing their own work, which isn't legal. This bill addresses that problem, it allows the property owner to legally do the work and allows them to get a building permit and to have a qualified licensed inspector inspect the work. Currently, if the electrical work is not completed correctly, it is never inspected, which is not safe to renters or to the next owner of the building. This bill will not allow a property owner to work on the main electrical service into their house. This simply extends the existing rights of the homeowner to purchase a permit, work on the property they own, and to have a licensed inspector inspect it. It does not allow commercial buildings to do major electrical work, but applies to residential real estates.

Opponents' Testimony:

Perry Eskridge, Attorney, Department of Commerce, Professional Occupational Licensing Division, State Board of Electricians, stated the definition of property or residence as amended in subsection 3, makes no limitation for electrical work on

commercial property. He said this is the primary reason he is representing the Board of Electricians to oppose this bill. Subsection 3 states it would be permissible for a person to work on their own property or residence, it is not limited to non-commercial property. Even a corporation who owns their property would be allowed to perform their own electrical work. If these buildings are open to the public, the wiring within those buildings are not going to be done by qualified and registered electricians within the state. The Board of Electricians has one dedicated inspector and has another available but that is not enough for constant inspections. Currently, tenants have been put into buildings with wiring which has not been inspected. He believes owners will continue to do their own work and he believes the public safety issue would be better served if they allowed the law to stand the way it is.

Scott Hudson, Master Electrician, International Brotherhood of Electrical Workers (IBEW), said there are five purposes in the law now in effect. They are to protect the health and safety of the people of this state from the danger of electrical-caused shocks, fires, and explosions. Also, to protect their property from hazards of fires and explosions, to establish a procedure for determining where and by whom electrical installations are to be made, assure the public that persons making these installations are qualified and ensure these installations and products made and sold in the state meet the minimum safety standards. As a licensed electrician in the State of Montana since 1980, he has passed a state Journeyman and a state Master's Electrician's test. He has paid the associated examination fees, license fees, and continues to meet the requirements of 24 hours of upgraded education and is opposed to the bill. He believes anyone doing electrical work needs to have the training, experience, and technical knowledge to wire, install, repair electrical apparatus as per the current law.

Don Herzog, Electrician's Business Manager for Billings and 28 other Counties, Master Electrician, IBEW, is opposed to SB 218 and said state laws are there to protect the general public. They use the National Electrical Code which is what the state law follows. The purpose of the code is the practical safeguarding of persons or property arising from the use of electricity. Just because the person owns the piece of property does not make him a qualified electrician, because he either wants to save money or he doesn't want to get a permit. That person is not necessarily qualified. There is an article in the code book which covers grounding and bonding of electrical installations. He read from the code book and stated it is full of information, and he does not believe a property owner is qualified to do electrical work.

Bill Qualls, Master Electrician, said he agrees with the other opponents. Just because you make it available for them to get a permit for work, he does not believe they will get a permit. It is senseless to have the expense of hiring an electrician to change a light, light switch or receptacle in the wall. This does not cover maintenance. Licensure is required only during new installation. The State Electrical Board laws and rules book defines maintenance, which is the replacement of an item. He asked the Committee not to pass this bill.

Dick Swingley, Great Falls Fire Marshall, spoke in opposition to this bill. **EXHIBIT(1as22a09)**

Darrell Holzer, AFL, CIO, rose in opposition to SB 218. When he reviewed this bill he found the latest national fatality statistics. *{Tape : 2; Side : A; Approx. Time Counter : 84 - 130; Comments : Mr. Holzer's testimony continued on Tape 2.}* They were 139 from overhead power lines, 94 from machine, tool, appliance and light fixtures, 5 from underground buried power lines, and on and on. He believes some of the fatalities were licensed electricians and know the industry. The state is sometimes compelled to pass laws which protect us from ourselves and these are one of those laws.

Doug Neal, Montana State Fireman's Association, stated he opposed this bill.

Gary Pemble, Montana Electrical Apprenticeship & Training Association, said he represents over 130 apprentices who spend 8,000 hours of on-the-job training. Over the course of five years they receive 1,000 hours of classroom training. A qualified expert does the wiring, and to protect that, there are inspectors, but not enough. He would like to go on record in opposition to SB 218.

Carl Schweitzer, American Subcontractor's Association of Montana, acknowledged several electrical contractors he was representing. They do not think it is safe practice to allow those who aren't licensed and trained to do electrical work.

Joe Dwyer, Teamsters Union, said they stand in opposition to this bill because of the safety issue.

Gene Fenderson, Montana Joint Heavy & Highway Committee, reported they stand in opposition to this bill.

Jim Wolfe, Project Manager, Polar Electric, said he stands opposed to SB 218.

EXHIBIT(las22a10) was faxed to **CHAIRMAN KEATING**.

Questions from Committee Members and Responses:

SEN. VICKI COCCHIARELLA asked **SEN. MILLER** if there is a fiscal note available since it appears there is an unfunded mandate in this bill to local governments.

SEN. MILLER responded he hasn't requested a fiscal note. A few cities have their own licensed inspectors and the rest of the state is covered by state inspectors which are funded through permit fees. He doesn't think the General Fund would be impacted from this.

SEN. COCCHIARELLA asked him to address the unfunded mandate issue to local governments.

SEN. MILLER responded he doesn't think there are any unfunded mandates to local governments. When a person buys a permit, an electrical inspector inspects it.

SEN. COCCHIARELLA inquired of **Melody Brown, Attorney, State Board of Electricians**, the same question.

Ms. Brown answered the people who actually do the inspections are the building codes inspector.

SEN. COCCHIARELLA said she is looking for someone who can tell her about the need for more inspectors and who is going to pay for that.

Bill Jellison, Bureau Chief, Inspections Service Bureau, Building Codes Division, State of Montana, replied that currently in Montana there are six communities who perform their own electrical inspections with their own city inspectors. Any community who does not have their own inspector, the Building Codes Division does the inspection. They have 21 electrical inspectors around the state. They cover a number of counties around their house, and are based out of their house. All electrical installations are required to be inspected. About 50% of those are performed by the homeowner or the owner of the mobile home. Any work performed on other than a single-family dwelling, mobile home, farm, ranch, is performed by an electrical contractor.

SEN. COCCHIARELLA asked if **Mr. Jellison** anticipated the need for more inspectors.

Mr. Jellison said from a management standpoint, they feel they could use more inspectors.

SEN. BILL WILSON asked if he wired something with 220 volts under this bill and had someone inspect it, and he made a mess of it, what would happen.

SEN. MILLER responded an inspector would 'red tag' it and you would have to correct the problem or hire someone to correct the problem.

SEN. SUE BARTLETT asked **SEN. MILLER** if the power company would come to shut off the power.

SEN. MILLER responded he didn't think so unless it is a new service. They have 90 days to correct the problem.

SEN. BARTLETT said her home is in perpetual remodel, and wondered if she wanted to do the work herself but the existing walls are already up, how is the inspection done.

Mr. Jellison responded even though the house is under remodeled, an electrical permit is required for interior re-wire. If the inspector arrives after the walls are up, by testing the outlets or looking at the amount of wires in the boxes, if it appears they have to see behind the wallboard, they would require the wallboard be taken down.

SEN. Cocchiarella asked **Mr. Jellison** if he said under current law that **SEN. BARTLETT** could do the work herself on her house.

Mr. Jellison answered that is correct. The owner of a single-family dwelling can perform his or her own electrical wiring, although a permit and inspection are required.

SEN. MCNUTT claimed that an electrician present had made the comment that maintenance is different than construction and wiring. If **SEN. WILSON** had a rental house and the light fixture failed in the bathroom, he could replace it with the like kind and does not have to hire an electrician to do that.

Mr. Jellison responded that is his understanding although they administer the permit and inspection. The replacement maintenance items, do not require an electrician's services.

CHAIRMAN KEATING stated the code says an individual may do electrical work on their own property or residence provided that property or residence is maintained for his own use. He asked

Dick Swingley if he has seen many fires caused by individuals who are re-wiring their own residence.

Mr. Swingley said they do not inspect single-family dwellings, but they find the faulty installations when they have a fire. When a permit is taken out, the electrical inspectors inspect the residence. They do find a lot of fires in the situation where people have done their own work and have not had it inspected. He mentioned they respond to 15 to 20 fires per year that are directly related to faulty wiring, electrical fires.

CHAIRMAN KEATING asked **SEN. MILLER** if a person was going to do some of his own wiring on this own property, and they pay a fee, if those fees cover the inspection and who receives the fee for the permit.

SEN. MILLER was unsure, but **Mr. Jellison** responded the fee supports the inspection process.

CHAIRMAN KEATING asked if the fees are sufficient to cover inspection.

Mr. Jellison responded "yes".

SEN. MCNUTT stated he is a property owner and owns the facility where his dealership is run. If he got a permit, could he do his own wiring on that building.

SEN. MILLER answered as long as he had it inspected by a state inspector.

{Tape : 2; Side : A; Approx. Time Counter : 104 - 127}

Closing by Sponsor:

SEN. MILLER closed the hearing by saying this is a bill that needs to be kept in perspective. He does agree with the safety aspects and this is what this bill accomplishes. In regard to the Fire Chief's response, they need to determine how many of those electrical fires were inspected. Many of the fires are caused by extension cords which are improperly used. Of the fires which do occur, very few are caused from inspected wiring jobs. This also gets the inspector inside these buildings to take a look at all the wiring and would help with an increase of inspections on electrical work. If the inspection load was increased by 40% he believes this would be a success because these are jobs which would not have otherwise been inspected. That tells him it is an absolute success. He said hardware stores even have boards set up which show you how to do your own

work. This bill is helping consistency in that all the work is inspected.

EXECUTIVE ACTION ON SB 90

EXHIBIT(las22a11) and **EXHIBIT(las22a12)** were handed out to the Committee.

Motion: SEN. ELLIS moved that SB 90 DO PASS.

Discussion: SEN. BARTLETT explained her amendment **EXHIBIT(las22a13)**.

Motion/Vote: SEN. BARTLETT moved that HER AMENDMENT DO PASS.
Motion carried unanimously.

Discussion: Eddye McClure explained SEN. COCCHIARELLA'S amendment **EXHIBIT(las22a14)**.

Motion/Vote: SEN. COCCHIARELLA moved that HER AMENDMENT DO PASS.
Motion carried unanimously.

{Tape : 2; Side : B; Approx. Time Counter : 127 - 130}

Vote: Motion that SB 90 DO PASS AS AMENDED carried unanimously.

ADJOURNMENT

Adjournment: 5:10 P.M.

SEN. TOM KEATING, Chairman

GILDA CLANCY, Secretary

TK/GC

EXHIBIT (las22aad)